

Catawba County Board of Commissioners  
Regular Session, Monday, July 21, 2008, 7:00 p.m.

**Comments for Items not on the Agenda**

David Wilson	143	07/21/08
Rodney Broome	143	07/21/08

**Closed Session**

143-318.11(a)(4) economic development	150	07/21/08
143-318.11(a)(3) attorney-client privilege	150	07/21/08

**CVCC**

Appropriation for Full-time Deputy Position for East Campus	146	07/21/08
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**Department of Transportation**

Secondary Road Improvement Plan for FY 2008-2009	143	07/21/08
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**GDS**

Rate increase request	147	07/21/08
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**Public Hearings**

2008-2009 Rural Operating Assistance Program Grant	145	07/21/08
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**Resolutions**

NCDOT Secondary Roads Improvement Plan for FY 2008-2009	143	07/21/08
Approving Financing by Sherrills Ford-Terrell Fire-Rescue	146	07/21/08

**Sherrills Ford-Terrell Fire & Rescue**

Resolution approving financing	146	07/21/08
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**Tax**

Refund requests	147	07/21/08
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**Utilities and Engineering**

GDS Rate increase request	147	07/21/08
Partnership with ASU/Biodiesel research facility	147	07/21/08

The Catawba County Board of Commissioners met in regular session on Monday, July 21, 2008 at 7:00 p.m. in the 1924 Courthouse, Robert E. Hibbitts Meeting Room, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn Lail and Commissioners Dan Hunsucker, Barbara G. Beatty and Glenn E. Barger.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Lee Worsley, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 7:00 p.m.
2. Commissioner Barbara Beatty led the Pledge of Allegiance to the Flag.
3. Chair Barnes offered the invocation.
4. Commissioner Lynn M. Lail made a motion to approve the minutes of the Regular Session of Monday, July 7, 2008. The motion carried unanimously.

5. Recognition of Special Guests: Chair Barnes welcomed everyone present and specifically Sheriff Huffman, Representatives from Appalachian State University and Dee Herman from the Hickory Daily Record.
6. Comments for Items not on the Agenda.  
Chair Barnes opened the floor for citizens wishing to speak on items that were not on the agenda.

Mr. David Wilson addressed the Board about his concerns regarding property owned by his mother, Ms. Beulah Wilson, the Catawba County Board of Adjustment's decision regarding a change of non-conforming use for the property, and that Board's decision on the extension of non-conforming use for an adjacent property. He voiced additional concerns regarding oil spills on the property but was advised that oil spills fell under State control and would not be handled by the County.

Mr. Rodney Broome of Plainfield Drive, Conover rose to speak on behalf of approximately a dozen residents of the Leland Terrace subdivision. He said the residents of that subdivision had been seeking since 2002 to have public water brought to the subdivision and thanked the Board and County for the recent progress made to place this water project in the County's 2008-2009 budget. Mr. Jack Chandler, Catawba County's Public Service Administrator, gave a brief update on this project. He said the County had an agreement with the City of Conover to provide water service to this area, and that the County was presently negotiating engineering fees for a design for this project and beginning to plan to gather necessary easements. Mr. Chandler said he expected an engineering contract could be secured within the next two weeks and that, once preliminary engineering work is completed, a information meeting with the residents would occur, possibly by mid to late September. That meeting would brief citizens on the fee structure, the responsibility of running lines from houses to the main line, and the easements that would be needed. Mr. Chandler said design on the project would take 4-6 weeks, after which State permits would be sought and construction could begin.

7. Presentation:  
Mr. Rubin Chandler, Maintenance Engineer for the North Carolina Department of Transportation, came forward to present the Board with a report on the Secondary Road Improvement Plan for Catawba County approved by the North Carolina Department of Transportation for fiscal year 2008-2009. Since North Carolina law gives the North Carolina Board of Transportation the authority to approve these projects, the Board of Commissioners received this report for information only. The following resolution was adopted by the Board regarding the receipt of this information:

**RESOLUTION 2008-**

**North Carolina Department of Transportation Approval of 2008-2009 Secondary Roads Improvement Program**

**WHEREAS**, representatives from the North Carolina Department of Transportation appeared before the Catawba County Board of Commissioners on Monday, July 21, 2008 and presented the Secondary Roads Improvement Program for 2008-2009 for Catawba County.

**NOW, THEREFORE, BE IT RESOLVED BY THE CATAWBA COUNTY BOARD OF COMMISSIONERS** that the Board has reviewed said program and concurs with the Secondary Roads Improvement Program for 2008-2009 as presented by the representatives of the North Carolina Board of Transportation as follows:

**North Carolina Department of Transportation  
Catawba County Secondary Roads Construction Program  
2008 – 2009 Paving Priority**

FY 2008 – 2009 **Anticipated** Allocations:

Highway Fund (G.S. 136-44.5b)	\$ 950,000.00
Highway Fund (G.S. 136-44.5c)	\$ 125,000.00
Trust Fund (G.S. 136-182)	<u>\$ 550,000.00</u>

**Grand Total..... \$ 1,625,000.00**

**I. Paving Unpaved Roads**

**A. Rural Paving Priority**

<b>Rural Priority #</b>	<b>SR#</b>	<b>Local Name</b>	<b>Length (Miles)</b>	<b>Cost Estimate</b>
1	1701	Hafer Rd..	0.31	\$129,000.00
2	1915	Diddley-Dadburn Rd.	0.22	\$93,000.00
3	2060	Dellinger Rd.	0.35	\$140,000.00
<b>Rural Total .....</b>			<b>0.88</b>	<b>\$362,000.00</b>

\* Rural Paving Alternates:

4	1499	Meandering Way	0.42	\$168,500.00
5	1123	Martin Mill Rd.	0.35	\$90,500.00

**B. Subdivision Paving Priority**

<b>Subdivision Priority #</b>	<b>SR#</b>	<b>Local Name</b>	<b>Length (Miles)</b>	<b>Cost Estimate</b>
1	2358	50 <sup>th</sup> Ave. Cir.	0.24	\$94,500.00
2	1917	Cascade St.	0.06	\$34,700.00
<b>Subdivision Total .....</b>			<b>0.30</b>	<b>\$129,200.00</b>

\* Subdivision Paving Alternates:

3	1576	33 <sup>rd</sup> St. NE	0.15	\$65,800.00
4	1827	3 <sup>rd</sup> Ave SE	0.09	\$52,000.00
5	2103	Stillwater Dr.	0.06	\$35,500.00

**II. General Secondary Road Improvements (Funded by G.S. 136-44.5b)**

**A. Paved Road Improvements**

<b>SR#</b>	<b>Local Name</b>	<b>Description</b>	<b>Length (Miles)</b>	<b>Cost Estimate</b>
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SR 1858	Olivers Cross Roads	Widen 2' From SR 1855	widen 5.46 mi	
		to SR 1810 and resurface	resurface 3.21 mi.	<b>\$880,800.00</b>
		from SR 1003 to SR 1810		

(resurfacing of remaining 2.25 miles to be included in 2008-2009 yearly resurfacing contract)

**III. Trust Fund Safety Improvements (Funded by G.S. 136-182)**

SR#	Local Name	Description	Length (Miles)	Cost Estimate
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None

B. Various Spot Stabilization, Secondary Maintenance

SR#	Length Local Name	Description	(Miles)	Cost Estimate
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Various		Various		<b>\$50,000.00</b>
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**IV. Funds reserved for surveying, road additions, contingencies, overdrafts, and paving entrances to certified fire departments, rescue squads, etc.....**

**\$75,000.00**

**Total from page 1.....** **\$491,200.00**

**Total from page 2.....** **\$ 1,005,800.00**

**Grand Total .....** **\$1,497,000.00**

**\*\*Program subject to the availability of funding, right of way, and environmental review**

This the 21<sup>st</sup> day of July, 2008.

Commissioner Barbara Beatty made a motion for the Board to accept the DOT Proposed Catawba County 2008-2009 Secondary Road Construction Program. The motion carried unanimously.

8. Public Hearing:

Eric Ben-Davies of the Western Piedmont Regional Transit Authority came forward and requested the Board hold a public hearing on a proposed application for a fiscal year 2008-2009 Rural Operating Assistance Program grant. Funds from this North Carolina Department of Transportation grant are used to provide public transportation for the residents of Catawba County. The grant includes funding for three programs: the Elderly and Disabled Transportation Assistance Program (EDTAP), Work First Transitional/Employment Transportation Assistance Program and Rural General Public (RGP) Program. EDTAP provides operating assistance funds for transportation of the elderly and persons with disabilities to allow these individuals to reside for a longer period in

their homes, thereby enhancing their quality of life. The Work First/Employment program is intended to provide operating assistance for transitional Work First and general public employment transportation needs. RGP funds provide operating assistance for transportation services to individuals who are not human service agency clients.

The FY 2008-2009 Rural Operating Assistance Program allocation to Catawba County totals \$263,971 (an increase of approximately 7.21% over last year's allocations). \$124,953 would go to the EDTAP program, \$22,994 to the Work First/Employment Program and \$111,024 would fund the RGP Program. EDTAP and Work First funding will be provided with 100% State funds and requires no local match. The RGP Program is funded at 90% of the fully allocated cost of each general public trip. The remaining 10% RGP match is funded through existing Catawba County local matching funds allocated to the Western Piedmont Regional Transit Authority and fares. Chair Barnes opened the public hearing, noting it had been duly advertised. No one came forward to speak for or against the proposed application and Chair Barnes closed the public hearing. Commissioner Glen Barger made a motion to approve the proposed application. The motion carried unanimously.

9. Appointments: None.

10. Consent Agenda:

County Manager Lundy presented the following items for Board consideration under the Consent Agenda.

a. A request to appropriate funds received from Catawba Valley Community College (CVCC), in the amount of \$45,513, for one full-time deputy position for security at CVCC's East Campus. CVCC has had a long relationship with the Catawba County Sheriff's Office to provide campus security. As the college has grown, it now has a need for an additional deputy to be assigned to the East Campus. Two deputies are presently contracted to patrol the West Campus. CVCC will amend its contract with the college to include a third deputy to patrol the East Campus. The Sheriff's Office will hire the full-time deputy to be assigned to CVCC, on a tentative schedule of 9 a.m. to 6 p.m. Monday thru Friday. CVCC will reimburse the Sheriff's Office for salary and benefits associated with this full-time deputy, in the amount of \$45,513. Uniforms and equipment would be covered in the existing Sheriff's Office budget.

b. A request for the Board to adopt a resolution approving Sherrills Ford-Terrell Fire/Rescue's obtaining tax exempt financing of up to \$1.3 million for the purchase of two fire trucks and the construction of a fire station on Burris Road. This action will not obligate any funding by Catawba County. On May 19, 2008, the Denver Fire Department notified Catawba County that it would end its contract to provide fire service to portions of southeastern Catawba County on June 30, 2008. Prior to the May 19 letter, several meetings were held to discuss a phased approach to move some of the area of Catawba County that was then in the Denver Fire Department district to the Sherrills Ford fire district. With the opening of a new base on Slanting Bridge Road earlier this year, Sherrills Ford Fire and Rescue provides 1 to 3 minutes faster response times and better fire insurance ratings to the eastern section of the district then served by the Denver Fire Department. The Denver Fire Department's response was to insist on an 8.92 cent fire tax rate. Catawba County officials could not justify doubling the fire tax rate to citizens in that area, nor justify those citizens paying a disproportionate share of the Denver fire budget, so Catawba County again asked the Denver Fire Department to serve the two remaining Catawba County sections of their district at the fire tax rate of 3.89 cents that was then in effect. The Denver Fire Department's response was the May 19, 2008 letter, in which the department notified Catawba County that it would end its contract to provide fire service to portions of southeastern Catawba County on June 30, 2008.

On July 1, 2008, Sherrills Ford-Terrell Fire/Rescue assumed the district that was previously served by Denver Fire and Rescue. To maintain the department's current insurance rating, it was necessary for Sherrills Ford-Terrell Fire/Rescue to add a fire substation and equipment in the area of Burris Road. The station and two fire trucks will cost approximately \$1,300,000. In order for Sherrills Ford-Terrell Fire/Rescue to qualify for tax exempt financing, the Board of Commissioners must adopt a resolution approving the financing, as required by the United States Internal Revenue

Code. Sherrills Ford-Terrell Fire/Rescue held an advertised public hearing regarding this proposed financing, as required by the Internal Revenue Code, on June 30, 2008. By using tax exempt financing, Sherrills Ford-Terrell Fire/Rescue will receive a financing rate not to exceed 4.67 percent for 15 years. The rate it would receive without tax exempt status would be at least 6.5 percent. The resolution read as follows:

Resolution No. 2008-\_\_\_\_  
Resolution Approving the Financing by  
Sherrills Ford-Terrell Fire & Rescue, Inc.  
Of up to \$1,300,000.00 for two fire trucks and construction of fire substation

**WHEREAS:**

Sherrills Ford-Terrell Fire & Rescue, Inc. (the "Fire Department") has determined to finance an amount of up to \$1,300,000.00 for the purchase of two (2) 2008 Pierce 1500 GPM Pumpers and the construction of a fire substation. The United States Internal Revenue Code requires that for such financing to be carried out on a tax-exempt basis, the Catawba County Board of Commissioners must first approve the financing. The Fire Department held a public meeting on the financing after published notice, as required by the Code. The Fire Department has reported the proceedings of the hearing to this Board.

**BE IT THEREFORE RESOLVED by the Board of Commissioners of Catawba County, North Carolina, as follows:**

The County approves the Fire Department's entering into the financing, as required under the Code for the financing to be carried out on a tax-exempt basis. The Fire Department conducted the required public hearing.

This \_\_\_\_ day of \_\_\_\_\_, 2008

c. A request for the Board to approve two tax refund requests totaling \$2,445.24. Records have been checked and these refunds verified; therefore, the Tax Collector recommended approval of the refund requests. According to North Carolina General Statute 105-381, a taxpayer who has paid taxes may request a refund (in writing) for an amount that was paid through error.

Chair Barnes asked if any Board member wished to have an item broken out of the consent agenda and none were requested. Vice-Chair Lynn Lail made a motion to approve the consent agenda. The motion carried unanimously.

11. Departmental Reports.

Utilities and Engineering:

a. Barry Edwards, Director of Utilities and Engineering, presented a request by Garbage Disposal Service (GDS) for a 4.3% increase to the service portion of its fees, effective July 1, 2008. The increase results from a new State mandated \$2 per ton tax on all municipal solid waste dumped in landfills and from increased operating costs, primarily rising fuel costs. The increase equates to 90 cents per household, per month for residential customers who recycle at least once per month, and 95 cents per household per month for residential non-recyclers.

In accordance with the County's Franchise Agreement, the Board must approve GDS's fees and increases for collection services. GDS requested a 4.3% increase based on increases in the Consumer Price Index. GDS has experienced substantial increases in fuel and other operating costs. Since May 2007, the company's fuel expenses have increased by 83%, motor oil costs have increased by 5.5%, and hydraulic oil costs have risen by 7.9%. The increase will affect all GDS customers, including those who use curbside garbage and recycling pick up, commercial and industrial customers, and those using the County's Convenience Centers. Vice-Chair Lail made a motion to approve this request for a rate increase for GDS. The motion carried unanimously.

b. Barry Edwards, Director of Utilities and Engineering, presented a request for the Board to

approve a partnership and building lease agreement with Appalachian State University (ASU) for the primary purpose of operating a biodiesel research facility that will assist Catawba County in producing biodiesel fuel from operations at the County's EcoComplex and locally grown crops, assist emerging biodiesel producers in Western North Carolina in assessing the quality of their fuels, and provide biodiesel fuel to the County's Blackburn Landfill operational fleet. The Board was asked to approve the construction of a building to be used for biodiesel research, and for Freon recovery from white goods, which will be located at the Blackburn Landfill's buffer area fronting Rocky Ford Road. The facility will be constructed from funds set aside for the long-term maintenance of the Blackburn Landfill. A Preliminary Engineering Report estimates the building construction costs at \$900,000 and an \$800,000 cost for a mechanical fuel storage and conveyance system.

The Board was also asked to award contracts in the amount of \$298,964 to Camp Dresser & McKee for architectural services to design the biodiesel research and Freon recovery facility. Funding for facility design is included in the County's Fiscal Year 2008-09 budget. The Board will be asked to appropriate the actual costs to construct the facility when it awards a contract for construction. Finally, it was requested the Board authorize the County Manager to sign a lease agreement with Appalachian State University to lease the applicable portion of the biodiesel research facility, and authorized the County's Utilities and Engineering Director to contract with local farmers to grow biodiesel feedstock crops on County-owned EcoComplex and/or Blackburn Landfill property. These crops will provide biodiesel fuel to the County for operating its equipment and fleet. Appalachian State staff and graduate students will be utilized in the biodiesel manufacturing and testing processes and perform research and certification on derived fuels. Appalachian State University has received \$1,400,000 in combined funding for this project from the Golden LEAF Foundation, the U.S. Department of Energy, the UNC General Administration, and the NC Biotechnology Center. No local tax dollars will be used for the design, construction, or operation of the biodiesel research and Freon recovery facility. The facility will be constructed with funds from the County's Solid Waste Enterprise Fund Post Closure Reserve Funds, which the County is required by the State to reserve to ensure that a landfill owner/operator has the funds necessary to properly close a landfill, provide 30 years of post-closure maintenance, and fund any corrective action costs for a permitted landfill.

Appalachian State University approached Catawba County several years ago concerning an educational and research facility as a component of the EcoComplex and Resource Recovery Facility. The partnership between ASU and the County will be designed to move science from the laboratory to the real world, and promote Catawba County as a center for "green" energy, agricultural, and environmental innovation and enterprise. County staff has finalized a contract with ASU for locating a Biodiesel Research and White Goods Freon Recovery Facility within the EcoComplex. The University's research will include the testing of biodiesel being produced by several companies in the region, as well as the growing of feedstock crops on and around the County's Blackburn Landfill, predominantly in buffer areas. Crops will be used to develop bio-fuel for operating the Blackburn Landfill, which will reduce County operational costs over time. Appalachian State and North Carolina State University will test crops, and adjust or introduce new crops when applicable, to optimize the County's fuel production, improve biodiesel crop production in Catawba County's climate, and learn and share with producers across Western North Carolina information about which crops produce the best oils for the production of biodiesel. These crops will be cultivated by local farmers under separate property lease agreements. This partnership represents only an initial component of a broader, remote research and educational "campus concept", through which ASU would engage in a wide array of research opportunities.

Excess biodiesel not consumed during research and analysis will be available to the County for use in on-site equipment at the Blackburn Landfill and other components of the EcoComplex and Resource Recovery Facility. The unconsumed or available biodiesel is estimated to be 45,000 gallons annually, which in the current market equates to \$218,250. The County's July 1, 2008 estimate of the cost per gallon to produce biodiesel from crops cultivated on County property is \$2.00 per gallon. The County's most recent bulk purchase of on-road diesel was at \$4.589 per gallon. Thus, by using the biodiesel grown and developed on site, the County will realize approximately \$2.50 per gallon of avoided cost.

The terms of the lease agreement with Appalachian State University shall be for a period of ten years, in five year renewable intervals, during which Appalachian State will pay the County rent in the amount of \$1,000 per month for the initial five year term. Terms of the lease would be renegotiated for the second five year term. The County will provide customary utilities, parking area, property maintenance, solid waste management services and adequate space in the facility. Catawba County's existing Energy Facility staff will be trained to operate the biodiesel manufacturing equipment, and would do so in the event ASU terminates its research at the County EcoComplex.

The proposed biodiesel research and Freon recovery facility will be approximately 5,000 square feet in size. It will use modular steel frame construction with Leadership In Energy and Environmental Design (LEED) characteristics that contribute to the building's overall environmental performance. The facility will house biodiesel production process equipment, Freon removal and reuse equipment, laboratory space and staff offices. Feedstock and fuel tanks will be externally housed in an enclosure attached to the main building. Parking, loading, and storage space will be included into the overall layout.

Under North Carolina General Statute 143-64.31, staff issued a Request for Qualifications (RFQ) for design and construction administration on the project, which was sent to numerous architectural firms and advertised on the County's Internet site. Eight statements of qualification were received on March 17, 2008 from the following: Abee Architect, PA; Camp Dresser & McKee; CBSA Architects; Hayes, Seay, Mattern & Mattern; Pease Associates; PBC+L Architecture; Perkins Eastman; and Walter Robbs Callahan & Pierce.

A selection committee, consisting of Utilities and Engineering Director, Barry Edwards; Public Services Administrator, Jack Chandler; Purchasing Agent, Debbie Anderson; Chief Building Services Official, Armin Wallner; and Business Manager, Cindy Meadows, reviewed the RFQs and selected Camp Dresser & McKee (CDM). CDM will provide complete design and construction services including design development of building and biodiesel processing mechanical systems, construction documents, bidding services, construction administration and project management. CDM will also provide complete design and coordination of the pre-fabricated metal building, the raw material storage area, biodiesel processing area, laboratory area, and office space and emissions testing area, and coordinate all sub-consultants associated with design and construction of the facility. The total contract for architectural design and LEED certification of building construction, engineering design and construction management services with Camp Dresser & McKee is \$298,964.

The Freon recovery component of the facility will capture Freon from white goods received at the Blackburn Landfill for use in university research. The Federal Clean Air Act prohibits knowingly venting ozone-depleting refrigerants (such as Freon) while servicing or disposing of air conditioning/refrigeration equipment. So Freon must be removed from refrigerators, freezers, and air conditioners, including automobile air conditioners, that are entering the waste stream with their refrigerant charge intact. Recovered Freon has a high value in today's market and is recyclable. Blackburn Landfill staff and applicable ASU staff are, or will be, trained and certified to manage the extraction, employment, and sale of chlorofluorocarbon (CFC) refrigerant components from used white goods, making it possible for Catawba County to generate additional revenues from the sale of the CFC-free white goods for recycling. \$50,000 in net new proceeds will be garnered annually from the State White Goods Tax Program to offset the costs of Freon removal and reuse. Additional annual funding may come from two other available grants.

Staff has estimated annual revenues from the Biodiesel Research and White Goods Freon Recovery facility of approximately \$302,000, providing the County with an annual 5% return on its investment over a ten year period, or the return of \$3,402,322 on the \$1,998,964 investment over 7.4 years.

Commissioners Lail and Beatty complimented staff and ASU on the efforts in developing this partnership and Vice-Chair Lail made a motion to approve all the Board actions presented in this request (approval of the partnership and building lease agreement with ASU; construction of a



multipurpose building which includes approval of the construction, the awarding of architectural services and engineering design services; authorizing the County Manager to sign the lease agreement with ASU and approving the Utilities and Engineering Direct to contract with local farmers to employ county-owned Eco-Complex and/or Blackburn Landfill property to grow biodiesel feedstock crops). The motion carried unanimously.

12. Other items of Business. None.
13. Attorneys' Report: None.
14. Manager's Report.  
County Manager J. Thomas Lundy requested the Board consider moving into closed session, pursuant to North Carolina General Statute 143-318.11(a)(4) and 143-318.11(a)(3) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations and to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body. He did not anticipate any action after the closed session.
15. Commissioner Hunsucker made a motion to go into closed session at 8:15 p.m. The motion carried unanimously.
16. The Board returned to open session. No further action was taken. The meeting adjourned at 9:32 p.m.

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Katherine W. Barnes, Chair  
Board of Commissioners

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Barbara E. Morris, County Clerk